



GARY R. HERBERT
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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 8, 2010

Certified Return Receipt
7003 2260 0002 0247 9406

Jessica Sturges
Lexon Insurance Company
900 Frontage Road, Suite 250
Woodridge, Illinois 60517

Subject: Cancellation of Surety Bond 1008577, Harborlite Corporation, Black Springs Mine, S/027/0089, Millard County, Utah

Dear Ms. Sturges:

The Utah Division of Oil, Gas and Mining (Division) received your letter dated March 30, 2010, regarding cancellation of surety bond 1008577 in the amount of \$17,000.00 effective 90 days from the Division's receipt of the letter. The Division received the letter April 5, 2010; 90 days from that date is July 4, 2009. The mine operator, Harborlite Corporation, has been advised that a replacement surety must be provided by June 4, 2010.

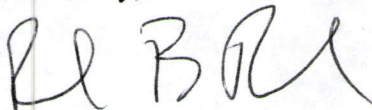
Under the terms of the above referenced surety bond, Lexon Insurance Company remains liable for reclamation of the existing disturbance. If the surety is not replaced by June 4, 2010, the Division will immediately issue a cessation order to Harborlite Corporation and a demand that it commence reclamation. Failure of Harborlite Corporation to reclaim the mine within 30 days of issuance of the cessation order may result in the Division making demand on Lexon Insurance Company to either proceed with reclamation or to pay to the Division the amount of the bond. If Lexon Insurance Company fails to complete reclamation or make payment as requested, the Division may proceed to file a Request for Agency Action with the Board of Oil, Gas and Mining to seek forfeiture of the bond.

Please confirm that you remain responsible as surety for the reclamation of the existing disturbance. We also ask that you advise the Division immediately if there is any reason or if any conditions arise that may preclude you from continuing as surety for reclamation of the existing disturbance.

Jessica Sturges
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Thank you for your cooperation. If you have any questions, please feel free to call me at 801-538-5261.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Baker'.

Paul Baker
Minerals Program Manager

PBB:pb

Enclosure Letter to operator dated April 8, 2010, and copy of surety

Cc: Jonna True, Harborlite Corporation
jblake@utah.gov

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